STATE OF IOWA
JUDICIAL RETIREMENT FUND

Actuarial Valuation Report
as of July 1, 2007

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Prepared: October, 2006

ACTUARIAL VALUATION OF THE STATE OF IOWA
JUDICIAL RETIREMENT FUND

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October 15, 2007

State of Iowa Judicial Retirement Fund
State Court Administrator's Office
1111 E. Court Ave.
Des Moines, IA 50319

Dear State Court Administrator:

At your request, we have performed an actuarial valuation of the Iowa Judicial Retirement Fund as of July 1, 2007 for the year ending June 30, 2008. The major findings of the valuation are contained in this report. This report reflects several changes in the actuarial assumptions used in the valuation. These are outlined on page 2 of our report. There was no change in the benefit provisions or actuarial methods from the prior (July 1, 2006) valuation.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the State Court Administrator's Office. This information includes, but is not limited to, statutory provisions, member data and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

We further certify that all costs, liabilities, rates of interest and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the System. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions. The State Court Administrator has the final decision regarding the appropriateness of the assumptions and has adopted them as indicated in Appendix A.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the System. Actuarial computations under GASB Statements No. 25 and 27 are for purposes of fulfilling financial accounting requirements. The computations prepared for these two purposes may differ as disclosed in our report. The calculations in this report have been made on a basis consistent with our understanding of the System's funding requirements and goals, and of GASB Statements No. 25 and 27. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work product was prepared exclusively for the Iowa Judicial Retirement Fund for a specific and limited purpose. It is a complex technical analysis that assumes a high level of knowledge concerning the Iowa Judicial Retirement Fund operations, and uses the Iowa Judicial Retirement Fund's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

I, Patrice A. Beckham, F.S.A., am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

I, Brent A. Banister, F.S.A., am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We respectfully submit the following report and look forward to discussing it with you.

MILLIMAN, Inc.

Sincerely,

Patrice Beckham

Patrice A. Beckham, F.S.A.
Consulting Actuary

Brent A. Banister, F.S.A.
Actuary

SECTION I

INTRODUCTION

SECTION I

INTRODUCTION

The purpose of this report is to present the results of the July 1, 2007 actuarial valuation of the State of Iowa Judicial Retirement Fund. The valuation assumptions have been changed from the prior valuation (July 1, 2006) as the result of an experience study performed for the Fund. The changes include:

- Lowering the investment return assumption from 8.0% to 7.5%;
- Changing from the 1983 Group Annuity Mortality Table to the RP-2000 Table with generational mortality improvements with a one year age setback;
- Lowering the salary increase assumption from 5.0% to 4.5%;
- Modifying the retirement rates, including extending the rates to age 72; and
- Increasing the percentage of retiring Judges electing Senior Judge Status from 75% to 80%.

The net impact of all assumption changes was an increase in the actuarial accrued liability of $9 million and an increase in the normal cost of approximately $400,000.

The benefit provisions and actuarial cost methods were unchanged from the prior valuation.

Section I of the report is a summary of the principal results of the valuation.

Section II of the report provides details of the assets and liabilities used in the actuarial valuation.

Section III of the report provides the calculation of the Annual Required Contribution, the Net Pension Obligation, and the Annual Pension Cost. Much of this information is necessary for compliance with Statements Number 25 and 27 of the Governmental Accounting Standards Board.

The Appendices provide a summary of the data, methods and assumptions used in the preparation of this report. The assumptions and methods used in our calculation are acceptable for purposes of GASB as well as for purposes of determining an appropriate level of contributions that should be made to the fund.

The highlights of the valuation are:

	Actuarial Valuation Date	
Funded Status	**July 1, 2007**	**July 1, 2006**
Actuarial Accrued Liability	$138.7M	$123.7M
Actuarial Assets	96.6	86.1
Unfunded Actuarial Accrued Liability	42.0	37.6
Funded Ratio	69.7%	69.6%

There was a liability gain from experience since the last valuation (the actuarial accrued liability was lower than expected, absent the change in assumptions). There was also an actuarial gain on the actuarial value of assets of $6.9 million. This favorable experience helped offset the increase in the actuarial accrued liability from the change in assumptions.

Although the total actuarial required contribution increased, the State's contribution decreased slightly as both a dollar amount and as a percent of payroll. This is because the member contribution rate increased to 5.70% (up from 2.32%).

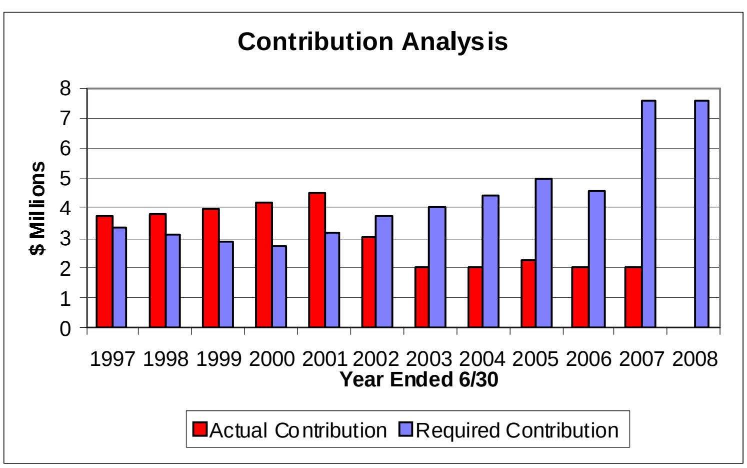
	Actuarial Valuation Date	
Required Contribution Rate	**July 1, 2007**	**July 1, 2006**
1. Normal Cost	$4,441,519	$3,996,957
2. Amortization Payment	3,927,084	3,542,224
3. Interest to Year End	627,645	603,135
4. Total Contribution (1) + (2) + (3)	8,996,248	8,142,316
5. Expected Member Contributions	1,443,526	581,335
6. State Contributions (4) – (5)	$7,552,722	$7,560,981
7. State Contribution Rate	30.9%	31.4%

The unfunded actuarial liability (UAL) increased from $37.6 million on July 1, 2006 to $42.0 million on July 1, 2007. Several factors contributed to the change in the unfunded actuarial liability:

- The Fund experienced an actuarial gain of $9.4 million for the year ending June 30, 2007. Actuarial experience (gain or loss) is measured by comparing the expected UAL based on all actuarial assumptions being met and the actual UAL. The return on plan assets was approximately 16%, significantly higher than the actuarial assumption of 8%. This accounted for nearly $7 million of the $9.4 million gain.

- Several changes were made in the actuarial assumptions used in the valuation process. The specific changes are summarized on page 2. Some of the changes increased liabilities and others decreased the liabilities. However, the net impact was an increase in the actuarial accrued liability of around $9 million.

- The UAL also increased because actual contributions in the last year were less than the actuarial contribution rate. From July 1, 2006 to July 1, 2007, actual contributions to the Fund were more than $5 million below the actuarial required rate. The lower contribution amount translates directly to an increase in the UAL and a decrease in the funded ratio. The graph below summarizes the actual and the actuarial employer contributions in recent years.



Over the period from 2003 through 2007, the State contributed far less than the actuarial contribution rate. Effective July 1, 2006, the State's required contribution rate, by statute, is 23.7% until the System is "fully funded" as defined in the Iowa Code (at least 90% funded). The actual contribution to the System for fiscal year 2007 was less than the statutory contribution rate. The budgeted contribution for FY2008, although higher than the FY2007 contribution, is still well below the statutory contribution rate of 23.7% of pay. The projected shortfall between the actual and statutory contribution rate for FY2008 is 7.20%, or approximately $1.8 million. Absent favorable experience to offset the impact of the contribution shortfall, the unfunded actuarial accrued liability of the System is expected to increase and the funded ratio to decline. This may keep the System from meeting its funding policy of amortizing the unfunded actuarial accrued liability over a 20 year period that began July 1, 2006. As the actuary for the plan, we strongly urge the State to increase the contribution levels to the statutory contribution level, at a minimum, and preferably to the actuarial contribution rate. The longer the State delays funding the System at the actuarial contribution rate, the higher the ultimate contribution rate will be.

The State Court Administrator is required to notify the Public Retirement Systems Committee, in writing, when it is anticipated that the Judicial Retirement System is within two fiscal years of attaining fully funded status (ratio of actuarial assets to actuarial liability is 90%). If all actuarial assumptions are met during the period July 1, 2007 to June 30, 2009, it is not anticipated that the Judicial Retirement System will be fully funded, as defined in the Iowa Code.

STATE OF IOWA
JUDICIAL RETIREMENT FUND
SUMMARY OF PRINCIPAL VALUATION RESULTS

	Actuarial Valuation as of July 1, 2007	Actuarial Valuation as of July 1, 2006
Asset and Liability Information		
Normal Cost	$ 4,411,519	$ 3,996,957
Actuarial Accrued Liability	138,662,253	123,670,177
Market Value of Assets	96,618,857	86,109,848
Unfunded Actuarial Accrued Liability	$42,043,396	$37,560,329
Funded Ratio	69.7%	69.6%
Contribution and Cost Information		
Annual Required Contribution	$ 7,552,722	$ 7,560,981
Annual Required Contribution Rate	30.9%	31.4%
Annual Pension Cost	7,192,014	7,367,201
Annual Pension Cost as a Percentage of Pay	29.4%	30.6%
Summary of Data		
Active Judges	196	197
Senior Judges and Retired Senior Judges	46	45
Retired Judges	61	58
Beneficiaries of Deceased Judges	44	41
Inactive Judges with Contributions Remaining in the System	9	9
Total	**356**	**350**
Active Participant Statistics		
Total Compensation	$ 24,425,621	$ 24,093,810
Average Compensation	124,621	122,304
Average Age	56.3	56.5
Average Service	13.0	13.4

SECTION II

SUMMARY OF VALUATION RESULTS

SECTION II

SUMMARY OF VALUATION RESULTS

STATEMENT OF CHANGES IN PLAN NET ASSETS

	Year End June 30, 2007	Year End June 30, 2006
Additions		
1. Contributions		
a. State	$ 2,039,664	$ 2,039,664
b. Members	609,178	1,103,844
c. Total Contributions (a + b)	2,648,842	3,143,508
2. Investment Income		
a. Interest	$ 1,600,687	$ 1,460,171
b. Dividends	572,648	623,206
c. Gain on Sale of Investments	11,922,279	5,045,712
d. Net Appreciation	(127,922)	(311,075)
e. Investment Expenses	(337,932)	(368,650)
f. Total Investment Income (a + b + c + d + e)	13,629,760	6,449,364
3. Total Additions (1c + 2f)	$16,278,602	$9,592,872
Deductions		
4. Deductions		
a. Benefit Payments	$ 5,761,693	$ 5,083,248
b. Administrative Expense	7,900	5,275
c. Total Deductions (a + b)	5,769,593	5,088,523
5. Net Increase (3 – 4c)	$ 10,509,009	$ 4,504,349
6. Net Assets Held in Trust for Pension Benefits		
a. Beginning of Year	86,109,848	81,605,499
b. End of Year	96,618,857	86,109,848

SECTION II

SUMMARY OF VALUATION RESULTS

UNFUNDED ACTUARIAL ACCRUED LIABLITY
as of July 1, 2007

1. Actuarial Accrued Liability		
a. Active Employees:		
Retirement Benefits	$	79,834,353
Pre-Retirement Death Benefits		1,307,456
Withdrawal Benefits		5,337
Total	$	81,147,146
b. Members with Deferred Benefits	$	1,526,097
c. Members Receiving Benefits	$	55,989,010
d. Total Actuarial Accrued Liability (a + b + c)	$	138,662,253
2. Actuarial Value of Assets	$	96,618,857
3. Unfunded Actuarial Accrued Liability (1.d – 2)	$	42,043,396

SECTION II

SUMMARY OF VALUATION RESULTS

ACTUARIAL BALANCE SHEET
July 1, 2007

A S S E T S

Market value of assets	$	96,618,857
Present value of future normal costs		37,674,707
Payments on Unfunded Actuarial Accrued Liability	$	42,043,396
Total Net Assets	$	176,336,960

L I A B I L I T I E S

Present Value of Projected Benefits:		
Active Members		
Retirement Benefits	$	116,852,902
Pre-Retirement Death Benefits		1,948,942
Withdrawal Benefits		20,009
Members with Deferred Benefits		1,526,097
Members Receiving Benefits	$	55,989,010
Total Liabilities	$	176,336,960

SECTION II

SUMMARY OF VALUATION RESULTS

ACTUARIAL GAIN/(LOSS)
July 1, 2007

The actuarial gain/(loss) is comprised of both the liability and the actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of July 1, 2007.

1. Expected actuarial accrued liability		
a. Actuarial accrued liability at July 1, 2006	$	123,670,177
b. Normal cost at July 1, 2006		3,996,957
c. Benefit payments for fiscal year ending June 30, 2007		(5,761,693)
d. Interest on (a), (b), and (c)		9,987,337
e. Expected actuarial accrued liability at July 1, 2007 (a) + (b) + (c) + (d) + (e)	$	131,892,778
f. Change in actuarial assumptions		9,324,882
g. Expected actuarial accrued liability at July 1, 2007 (e) + (f)	$	141,217,660
2. Actuarial accrued liability at July 1, 2007	$	138,662,253
3. Actuarial accrued liability gain/(loss) (1g) - (2)	$	2,555,407
4. Expected actuarial value of assets		
a. Actuarial value of assets at July 1, 2006	$	86,109,848
b. Contributions for fiscal year ending June 30, 2007		2,648,842
c. Benefit payments and administrative expenses for fiscal year ending June 30, 2007		(5,769,593)
d. Interest on (a), (b), and (c)		6,766,359
e. Expected actuarial value of assets at July 1, 2007 (a) + (b) + (c) + (d)	$	89,755,456
5. Actuarial value of assets at July 1, 2007	$	96,618,857
6. Actuarial value of assets gain/(loss) (5) - (4e)	$	6,863,401
7. Net actuarial gain/(loss) (3) + (6)	$	9,418,808

SECTION II

SUMMARY OF VALUATION RESULTS

DETERMINATION OF REQUIRED CONTRIBUTION RATE

1.	**Normal Cost**		
	Retirement Benefits	$	4,345,458
	Pre-Retirement Death Benefits		91,291
	Withdrawal Benefits		4,770
	Total	$	4,441,519
2.	**Unfunded Actuarial Accrued Liability**		
	Actuarial Accrued Liability	$	138,662,253
	Actuarial Value of Assets		96,618,857
	Unfunded Actuarial Accrued Liability (UAAL)		42,043,396
3.	**Amortization Payment on UAAL**		
	(over 19 years)	$	3,927,084
4.	**Total Contribution at End of Year**		
	[(1) + (3)] x 1.075	$	8,996,248
5.	**Projected Payroll for Fiscal Year**	$	24,425,621
6.	**Expected Employee Contributions**		
	5.7% x (5)	$	1,392,260
7.	**Interest to End of Year**		
	(6) x $(1.075)^{.5}$	$	51,266
8.	**Member Contributions at End of Year**		
	(6) + (7)	$	1,443,526
9.	**State Contribution at End of Year**		
	(4) – (8)	$	7,552,722
10.	**State Contribution Rate**		
	(9) / (5)		30.9%

SECTION III

PLAN ACCOUNTING INFORMATION

SECTION III

PLAN ACCOUNTING INFORMATION

Schedule of Funding Progress
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL/ Covered Payroll ((b – a)/c)
July 1, 1998	$55,048	$65,243	$10,195	84%	$16,824	61%
July 1, 1999	61,869	68,768	6,899	90%	17,023	41%
July 1, 2000	71,693	82,070	10,377	87%	19,295	54%
July 1, 2001	72,375	87,800	15,425	82%	19,896	78%
July 1, 2002	67,707	88,051	20,344	77%	19,878	102%
July 1, 2003	70,018	93,561	23,543	75%	20,712	114%
July 1, 2004	78,023	99,124	21,101	79%	20,894	101%
July 1, 2005	81,605	105,472	23,867	77%	20,684	115%
July 1, 2006	86,110	123,670	37,560	70%	24,094	156%
July 1, 2007	96,619	138,662	42,043	70%	24,426	172%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
June 30, 1998	$3,150,939	121%
June 30, 1999	2,858,734	138%
June 30, 2000	2,700,338	156%
June 30, 2001	3,209,370	140%
June 30, 2002	3,738,659	81%
June 30, 2003	4,024,203	51%
June 30, 2004	4,401,516	46%
June 30, 2005	4,394,389	46%
June 30, 2006	4,614,846	44%
June 30, 2007	7,560,981	27%

Notes to the Required Schedules:

1. The cost method is the Projected Unit Credit.
2. The assets are shown at fair market value.
3. Economic assumptions are as follows: Inflation rate of 3.25%.
   Investment return rate of 7.50%.
   Salary increases of 4.5% per year.
   Post-retirement benefit increases vary from 0.00% to 4.50%.
4. The amortization method is a closed period of 20 years measured from July 1, 2006, determined as a level dollar amount.

SECTION III

PLAN ACCOUNTING INFORMATION

Determination of Annual Required Contribution (ARC)

In Accordance with Statement No. 25 of the
Governmental Accounting Standards Board

Determination of Annual Required Contribution (ARC)

1. a. Normal Cost at July 1, 2007	$ 4,441,519
b. Interest for Year	333,114
c. Total Normal Cost as of June 30, 2008	4,774,633
2. a. Unfunded Actuarial Accrued Liability (UAAL)	$42,043,396
b. Amortization Factor to Recognize UAAL Over 19 Years	10.706009
c. Amortization Amount of Beginning of Year (a ÷ b)	3,927,084
d. Interest for Year (c x .075)	294,531
e. Amortization Amount at End of Year	4,221,615
3. Total Annual Required Contribution	$ 8,996,248
4. Portion Paid by Employee Contributions	
a. Annual Payroll for Upcoming Plan Year	$24,425,621
b. Employee Contribution Rate	5.70%
c. Employee Contributions (a x b)	1,392,260
d. Interest on Employee Contributions	51,266
e. Employee Contributions as of June 30, 2008	1,443,526
5. Annual Required Contribution (ARC) (3 – 4.e.)	$ 7,552,722
6. Annual Required Contribution (ARC) as a Percentage of Pay	30.9%

SECTION III

PLAN ACCOUNTING INFORMATION

Development of the Net Pension Obligation
and Annual Pension Cost

In Accordance with Statement No. 27 of the
Governmental Accounting Standards Board

Determination of Net Pension Obligation

Net Pension Obligation as of July 1, 2006	$8,867,574
Annual Pension Cost for the Year Ended June 30, 2007	7,367,201
Employer Contributions for the Year Ended June 30, 2007	2,039,664
Net Pension Obligation as of June 30, 2007 (1) + (2) - (3)	$14,195,111

Determination of Annual Pension Cost

1. Annual Required Contribution (ARC)	$7,552,722
2. a. Net Pension Obligation (NPO)	14,195,111
b. Interest Rate	7.50%
c. Interest on NPO	1,064,633
3. a. NPO	14,195,111
b. Amortization Factor (19 years)	9.9591
c. Adjustment to ARC	1,425,341
4. Annual Pension Cost (1 + 2.c. – 3.c.)	7,192,014
5. Annual Pension Cost as a Percentage of Pay	29.4

APPENDIX A

ACTUARIAL ASSUMPTIONS AND METHODS

ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

Interest 7.5% per annum.

Mortality RP-2000 Healthy Annuitant and Employee Mortality Tables with generational improvements and a one year age set back.

Turnover 1.0% per year for all participants under age 45. The termination rate experienced by the system has been very small, and this trend is assumed to continue.

Rate of Disablement; Disabled Life Mortality No incidence of disability was assumed.

Salary Increases Salaries will increase 4.5% per annum. This was based on a review of the salary increases granted during the period since 1982.

Incidence of Retirement The following table indicates the assumed rate of retirement at each age.

Age	Rate
50 - 60	3%
61	4
62	10
63	5
64	5
65	20
66	15
67	15
68-71	20
72	100

Spouse's Benefit 85% of employees were assumed married, with the spouse four years younger.

Internal Revenue Service Limits on Recognized Pay The limit is assumed to increase based on cost of living increases of 3.0% per year.

Retiring Judges Electing Senior Judge Status 80%.

Adjustment to Benefit for Senior Judges	Became Senior Judge	Adjustment
	Before 1/1/93	4.5% for life
	1/1/93 to 7/1/94	4.5% to age 78
	7/1/94 and later	3.375% to age 78

Asset Valuation Method

The actuarial value of assets is equal to the market value of assets and was provided by the Office of the Court Administrator.

Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the Projected Unit Credit method of funding.

The objective under this method is to fund each participant's benefits under the Plan as they would accrue, taking into consideration future salary increases. Thus, the total pension to which each participant is expected to become entitled, is broken down into units, each associated with a year of past or future credited service. When this method is introduced, there will be an initial liability for benefits credited for service prior to that date, and to the extent that the liability is not covered by assets of the Plan, there is an unfunded liability to be funded over a chosen period in accordance with an amortization schedule.

A description of the calculation follows:

An individual's accrued benefit for valuation purposes related to a particular separation date is the accrued benefit described under the Plan but determined using the projected salary that would be used in the calculation of the benefit on the expected separation date.

The benefit deemed to accrue for an individual during a plan year is the excess of the accrued benefit for valuation purposes at the end of the plan year over the accrued benefit for valuation purposes at the beginning of the plan year. Both accrued benefits are calculated from the same projection to the various anticipated separation dates.

An individual's accrued liability is the present value of the accrued benefit for valuation purposes at the beginning of the plan year, and the normal cost is the present value of the benefit deemed to accrue in the plan year.

The Plan's normal cost is the sum of the individual normal costs, and the Plan's accrued liability is the sum of the accrued liabilities for all participants under the Plan.

Amortization Method

Level Dollar Amortization Method

The amount to be amortized is divided into equal dollar amounts to be paid over a given number of years; part of each payment is interest and part is principal (similar to a mortgage payment on a building). Because payroll can be expected to increase as a result of inflation, level dollar payments generally represent a decreasing percentage of payroll; in dollars adjusted for inflation, the payments can be expected to decrease over time.

Closed Amortization Period

A closed amortization period (closed basis) is one that is set at a certain number of years and then declines by one in each future valuation date. The period was set to 20 years by the Iowa legislature in 2006.

APPENDIX B

SUMMARY OF PLAN PROVISIONS

STATE OF IOWA
JUDICIAL RETIREMENT FUND

Summary of Plan Provisions

An actuarial valuation involves the projection of the amount and timing of future benefit payments. Summarized below are the principal provisions of the plan which were used to estimate future benefit payments.

Credited Service	All years of service as a judge are credited.
Average Monthly Salary	Average monthly basic salary for highest three years as a judge. Each year's pay is limited to the compensation limit in Section 401(a)(17) of the Internal Revenue Code.
Accrued Benefit	The benefit payable at Normal Retirement Date which the judge has earned based on average earnings and credited service to date.
Normal Form	The normal form of payment is an annuity payable for the life of the judge with one-half such amount payable to an eligible surviving spouse with a guarantee that payments totaling at least the amount of the judge's contributions will be made.
Eligible Spouse	A spouse is eligible if married to the judge for at least the one year preceding death.
Retirement Eligibility	Age 65 with a minimum of four years service or 20 years of service and age 50.
Mandatory Retirement Date	Age 78 for judges participating in the Senior Judge Program.
Monthly Retirement Benefit	Effective July 1, 2006, 3.25% of Average Monthly Salary times years of credited service subject to a maximum of 65% of final earnings. Prior to 2006 the formula was 3% of average monthly salary times years of service subject to a maximum of 50% until July 1, 1998, 52% from July 1, 1998 until June 30, 2000, 56% from July 1, 2000 to June 30, 2001, 60% effective July 1, 2001. Commencing July 1, 1992, a judge or a survivor of a judge who retired before June 1, 1977, shall receive a minimum monthly annuity payment of $500.
Disability Retirement	Upon total and permanent disability with a minimum of four years of credited service, the Judge receives the accrued benefit.

Vesting

100% vesting for voluntary terminations after 4 years of credited service (6 years prior to July 1, 2006). 100% vesting for Judges' contributions at all times.

Pre-Retirement Death Benefit

Four years of service required. The death benefit payable to an eligible spouse is one-half the accrued benefit at the date of death. The death benefit shall commence on the later of the date of death or the date the spouse reaches age 60.

Judge's Required Contribution Rate

Effective July 1, 2000, 5% of salary (4% of salary before that date). Effective July 1, 2006, the required contribution rate is 6% multiplied by a fraction equal to the actual percentage rate contributed by the State divided by 23.7%.

Commencing with the first fiscal year in which the System attains fully funded status, and for each subsequent year, 50% of the required contribution rate.

State's Required Contribution Rate

For the fiscal year beginning July 1, 2006, and for each subsequent fiscal year until the system attains fully funded status, twenty-three and seven-tenths percent. Commencing with the first fiscal year in which the system attains fully funded status, and for each subsequent fiscal year, the percentage rate equal to fifty percent of the required contribution rate.

Annuity for Senior Judges and Retired Senior Judges

(a) Judges retiring and becoming Senior Judges before January 1, 1993:

The annuity for all senior judges or retired senior judges will be equal to 3% of the current base salary of the office in which the judge last served before retirement as a judge or senior judge, multiplied by the judge's years of service prior to retirement as a judge, subject to a maximum of 50% of such current base salary.

(b) Judges retiring and becoming Senior judges on or after January 1, 1993 and before July 1, 1994:

The annuity is the same as (a) above, except that the annuity will increase only until the year in which the judge attains age 78. At that point, it will remain the same until the judges' death.

(c) Judges retiring and becoming Senior Judges on or after July 1, 1994:

The annuity is the same as (b) above, except that the percentage increase of the annuity each year is only 75% of the amount that it would have been under (b).

(d) Judges retiring and becoming Senior Judges on or after July 1, 1998:

The annuity is the same as (c) above, except that the maximum benefit is 52% of the current base salary.

(e) Judges retiring and becoming Senior Judges on or after July 1, 2000:

The annuity is the same as (d) above, except that the maximum benefit is 56% of the current base salary.

(f) Judges retiring and becoming Senior Judges on or after July 1, 2001:

The annuity is the same as (e) above, except that the maximum benefit is 60% of the current base salary.

(g) Judges retiring and becoming Senior Judges on or after July 1, 2006: The percentage multiplier is 3.25% per year of service and the maximum benefit is 65% of the current base salary.

APPENDIX C

SYSTEM MEMBERSHIP INFORMATION

ACTIVE MEMBERS AS OF JULY 1, 2007

	Number of Employees			Annual Salaries		
Age	Male	Female	Total	Male	Female	Total
30-34	1	0	1	113,214	0	113,214
35-39	1	2	3	113,214	241,758	354,972
40-44	3	4	7	339,642	483,516	823,158
45-49	14	4	18	1,685,171	498,846	2,184,017
50-54	23	11	34	2,867,548	1,352,664	4,220,212
55-59	54	17	71	6,750,030	2,124,884	8,874,914
60-64	38	2	40	4,806,917	241,758	5,048,675
65-69	17	2	19	2,167,858	249,953	2,417,811
70 & over	3	0	3	388,648	0	388,648
Totals	154	42	196	19,232,242	5,193,379	24,425,621

ACTIVE AGE / SERVICE DISTRIBUTION AS OF JULY 1, 2007

	Years of Service								
Age	0-4 Count	5-9 Count	10-14 Count	15-19 Count	20-24 Count	25-29 Count	30-34 Count	35 + Count	Total Count
30-34	1	0	0	0	0	0	0	0	**1**
35-39	3	0	0	0	0	0	0	0	**3**
40-44	6	1	0	0	0	0	0	0	**7**
45-49	2	8	7	0	1	0	0	0	**18**
50-54	8	8	13	2	2	1	0	0	**34**
55-59	9	17	15	12	16	2	0	0	**71**
60-64	1	6	8	10	6	7	2	0	**40**
65-69	0	1	6	2	4	5	1	0	**19**
70 & over	0	0	0	0	1	1	1	0	**3**
Totals	**30**	**41**	**49**	**26**	**30**	**16**	**4**	**0**	**196**

DEFERRED VESTED MEMBERS
as of July 1, 2007

	Number of Members			Annual Benefit		
Age	Male	Female	Total	Male	Female	Total
51	0	1	1	0	22,000	22,000
52	0	1	1	0	46,627	46,627
56	1	0	1	25,593	0	25,593
58	0	1	1	0	42,263	42,263
59	0	1	1	0	29,499	29,499
62	1	0	1	15,676	0	15,676
64	2	0	2	38,348	0	38,348
66	1	0	1	8,237	0	8,237
Totals	5	4	9	87,854	140,389	228,243

RETIREES AND BENEFICIARIES

as of July 1, 2007

	Number of Members				Annual Benefit			
Age	Retired	Senior	Beneficiaries	Total	Retired	Senior	Beneficiaries	Total
50	0	0	2	2	0	0	55,865	55,865
52	0	0	1	1	0	0	57,070	57,070
54	1	1	0	2	30,161	78,025	0	108,186
56	1	0	0	1	76,348	0	0	76,348
58	0	1	0	1	0	80,210	0	80,210
59	1	0	1	2	49,157	0	11,997	61,154
61	1	0	0	1	15,613	0	0	15,613
62	0	1	0	1	0	83,143	0	83,143
63	0	1	0	1	0	62,907	0	62,907
64	0	1	1	2	0	69,464	13,440	82,904
66	0	1	1	2	0	67,234	17,241	84,475
67	1	2	1	4	50,716	137,323	19,436	207,475
68	1	0	0	1	40,662	0	0	40,662
69	2	3	2	7	122,216	192,519	93,947	408,682
70	2	2	1	5	40,521	128,577	30,750	199,848
71	2	0	0	2	54,386	0	0	54,386
72	2	2	1	5	64,798	121,999	16,542	203,339
73	2	3	1	6	44,910	213,259	34,530	292,699
74	2	2	2	6	81,673	105,128	86,505	273,306
75	7	2	0	9	320,283	90,710	0	410,993
76	4	4	0	8	112,487	270,420	0	382,907
77	4	3	0	7	181,855	180,244	0	362,099
78	3	1	1	5	134,292	72,489	41,144	247,925
79	4	3	3	10	156,343	189,085	77,302	422,730
80	4	3	1	8	174,570	161,188	46,901	382,659
81	2	2	0	4	70,711	121,481	0	192,192
82	4	1	4	9	123,911	57,838	42,049	223,798
83	3	0	1	4	113,786	0	29,329	143,115
84	0	0	2	2	0	0	28,124	28,124
85	2	1	2	5	69,231	45,786	27,121	142,138
86	1	2	2	5	44,183	95,403	8,552	148,138
87	4	0	2	6	96,135	0	19,500	115,635
88	0	1	0	1	0	45,821	0	45,821
89	0	0	4	4	0	0	29,856	29,856
90	0	0	1	1	0	0	7,399	7,399
91	0	0	1	1	0	0	6,000	6,000
92	1	0	2	3	4,765	0	15,999	20,764
93	0	1	1	2	0	45,736	15,225	60,961
94	0	0	1	1	0	0	14,275	14,275
95	0	2	0	2	0	128,540	0	128,540
96	0	0	1	1	0	0	7,897	7,897
99	0	0	1	1	0	0	10,598	10,598
Totals	61	46	44	151	2,273,713	2,844,529	864,594	5,982,836